

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 Parties

This settlement agreement is entered into by and between CalSafe Research Center, Inc., ("CalSafe"), on the one hand, and Aramco Imports, Inc., ("Aramco" or "Defendant") on the other hand with CalSafe and Aramco each individually referred to as a "Party" and collectively as the "Parties." ("Settlement Agreement") CalSafe is a corporation in the State of California serving in the interest of the general public by seeking to promote awareness of exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous substances used in consumer products. Aramco employs ten or more individuals and is a person in the course of doing business for purposes of The Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code § 25249.6 *et seq.* ("Proposition 65").

1.2 General Allegations

CalSafe alleges that Aramco distributes Breadsticks for sale in California that contain Acrylamide and that they do so without first providing the health hazard warning required by Proposition 65. Acrylamide is listed pursuant to Proposition 65 as a chemical known to cause cancer and birth defects or other reproductive harm.

1.3 Product Description

The product covered by this Settlement Agreement is defined as, and expressly limited to, Hamdan Bread Sticks Baton de lye Laugenstange Lye ("the Product") that contains Acrylamide and that is manufactured, sold or distributed for sale in California by Aramco.

1.4 Notice of Violation

On July 14, 2021, CalSafe served Aramco, the California Attorney General and the other requisite public enforcers with a 60-Day Notice of Violation ("Notice"), alleging that Aramco violated Proposition 65 when they failed to warn its customers and consumers in California of the health risks associated with exposures to Acrylamide from the Product.

To the best of the Parties' knowledge, no public enforcer has commenced and is diligently prosecuting an action to enforce the violations alleged in the Notice.

1.5 No Admission

Aramco denies the material, factual and legal allegations in the Notice and maintains that all of the products it sold and/or distributed for sale in California, including the Product, have been, and are, in compliance with all laws. Nothing in this Settlement Agreement shall be construed as an admission by Aramco of any fact, finding, conclusion, issue of law or violation of law, nor shall compliance with this Settlement Agreement, constitute or be construed as an admission by Aramco of any fact, finding, conclusion, issue of law or violation of law, such being specifically denied by Aramco. This Section shall not, however, diminish or otherwise affect Aramco's obligations, responsibilities, and duties under this Settlement Agreement.

1.6 Effective Date

For purposes of this Settlement Agreement, the term "Effective Date" shall mean ninety (90) days following the execution of this Settlement Agreement by the Parties.

2. INJUNCTIVE RELIEF

2.1 Clear and Reasonable Warnings

Commencing on the Effective Date, and continuing thereafter, Aramco agrees to only manufacture for sale, purchase for sale, import for sale, or distribute for sale in or into California (in person or online) the Product that is sold with a warning as provided for in Section 2.2.

2.2 General Warning Requirements

Aramco agrees that each warning shall be prominently placed with such conspicuousness, as compared with other words, statements, designs, or devices, as to render it likely to be read and understood by an ordinary individual under customary conditions before purchase or use. Each warning shall be provided in a manner such that the consumer or user understands to which *specific* Product the warning applies, so as to minimize the risk of consumer confusion.

For purposes of this Settlement Agreement, a clear and reasonable warning for the Product shall consist of a warning affixed to the packaging, label, tag, or directly to each Product sold or distributed in California by Aramco that contains the following statements:

1) **WARNING:** Consuming this product can expose you to chemicals including Acrylamide which is known to the State of California to cause cancer, birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov/food.

2) **WARNING:** Cancer and Reproductive Harm-www.P65Warnings.ca.gov/food.

The warning shall be offset in a box with black outline. The same warning shall be posted on any websites where the Product is sold in California.

(i) Changes in Warning Regulations or Statutes

In the event that the Office of Environmental Health Hazard Assessment or another authorized agency promulgates one or more regulations requiring or permitting warning text and/or methods of transmission different than those set forth above, or legislation is enacted by the California legislature, United States Congress or voters with such requirements or permission, Aramco shall be entitled to use, at its discretion, such other warning text and/or method of transmission without being deemed in breach of this Agreement. If regulations or legislation are enacted providing that warnings as to Acrylamide in this product are no longer required, a lack of warning by Aramco will not thereafter be a breach of this Agreement.

2.3 Grace Period for Existing Inventory of Products

The injunctive requirements of Section 2 shall not apply to Products that are already in the stream of commerce as of the Effective Date, which Products are expressly subject to the releases provided in Section 4.1.

3. MONETARY SETTLEMENT TERMS

3.1 Total Settlement Penalty

In full satisfaction of all potential civil penalties, additional settlement payments, attorneys' fees,

and costs, Aramco shall make a total settlement payment of \$15,000.00 ("Total Settlement Amount"). The Total Settlement Amount shall be apportioned into a Civil Penalty, Attorney's Fees and Costs, an Additional Settlement Payment and a Cost Reimbursement as set forth in Sections 3.2, 3.3, 3.4 and 3.5 below.

3.2 Civil Penalty Payment

Pursuant to Health and Safety Code§ 25249.7(b)(2), and in settlement of all claims alleged in the Notice or referred to in this Settlement Agreement, Aramco agrees to pay three thousand dollars (**\$3,000.00**) in civil penalties. The penalty payment will be allocated in accordance with California Health and Safety Code§§ 25249.12(c)(1) & (d), with 75% of the penalty amount paid to the California Office of Environmental Health Hazard Assessment ("OEHHA") and the remaining 25% of the penalty amount retained by CalSafe. Within ten (10) days of the date this Settlement Agreement is executed by the Parties, Aramco shall issue two separate checks for the initial civil penalty payment to (a) "OEHHA" in the amount of two thousand two hundred fifty dollars (**\$2,250.00**) and (b) CalSafe in the amount of seven hundred fifty dollars (**\$750.00**).

All payments owed to OEHHA (EIN: 68-0284486) pursuant to this Section shall be delivered directly to OEHHA (Memo Line "Prop 65 Penalties") at the following addresses:

For United States Postal Delivery Service:

Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment
P.O. Box 4010, MS 19B
Sacramento, CA 95812-4010

For Non-United States Postal Delivery Service:

Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment
1001 I Street MS #19B
Sacramento, CA 95814

All penalty payments owed to CalSafe shall be sent to:

Manning Law APC
Client Trust and CalSafe Research Center (taxpayer identification number 84-4419173)
20062 SW Birch Street, Suite 200
Newport Beach, CA 92660

3.3 Attorney Fees and Costs

The Parties reached an accord on the compensation due to CalSafe and its counsel under the private attorney general doctrine and principles of contract law. Under these legal principles, within fourteen (14)

days of the date of this Settlement Agreement is executed by the Parties, Aramco agrees to pay seven thousand five hundred dollars (**\$7,500.00**) to CalSafe and its counsel for all fees and costs incurred in investigating, bringing this matter to the attention of Aramco, and negotiating a settlement. The \$7,500.00 in Attorney's Fees and Costs shall be paid as follows: one check for \$7,500.00 payable to "Manning Law APC."

3.4 Additional Settlement Payment

Aramco shall pay three thousand five hundred dollars (**\$3,500.00**) as an Additional Settlement Payment ("ASP") to CalSafe pursuant to Health & Safety Code §25249.7(b), and California Code of Regulations, Title 11, § 3204. CalSafe intends to restrict use of the ASPs received from this Settlement Agreement to the following purposes: the funds will be placed in CalSafe's Toxics in Food Fund and used to support CalSafe's programs and activities that seek to educate the public about acrylamide and other toxic chemicals in food, to work with the food industry and agriculture interests to reduce exposure to acrylamide and other toxic chemicals in food, and to thereby reduce the public health impacts and risks of exposure to acrylamide and other toxic chemicals in food sold in California. The payment pursuant to this Section shall be made payable to Manning Law APC, Attorney-Client Trust Account and CalSafe Research Center and associated with taxpayer identification number 84-4419173. This payment shall be delivered to Manning Law, APC, 20062 SW Birch St. Suite 200, Newport Beach, CA 92660.

3.5 Cost Reimbursement

Aramco shall pay one thousand dollars (**\$1,000.00**) to CalSafe as reimbursement to CalSafe for reasonable costs for testing and bringing this action. This payment shall be made payable to Manning Law APC, Attorney-Client Trust Account and delivered to Manning Law, APC, 20062 SW Birch St. Suite 200, Newport Beach, CA 92660.

3.6. Payment Address

All payments required under this section to Manning Law APC shall be delivered to:

Manning Law APC (taxpayer identification number 83-0502205)
20062 SW Birch Street, Suite 200
Newport Beach, CA 92660

3.7 Tax Documentation

Aramco agrees to provide a completed IRS 1099 for its payments to, and CalSafe and Manning Law agree to provide IRS W-9 forms to Aramco. The Parties acknowledge that Aramco cannot issue any settlement payments pursuant to Section 3 above until after Aramco receives the requisite W-9 forms from CalSafe's counsel.

4. CLAIMS COVERED AND RELEASED

4.1 CalSafe's Release of Aramco

This Settlement is a full, final, and binding resolution between CalSafe, on behalf of itself and in the public interest, and Aramco and its respective officers, directors, shareholders, employees, agents, parent companies, subsidiaries, divisions, and the predecessors, successors, and assigns of any of them (collectively, "Released Parties"). CalSafe, on behalf of itself, hereby fully releases and discharges the Released Parties from any and all claims, actions, causes of action, suits, demands, liabilities, damages, penalties, fees, costs, and expenses asserted, or that could have been asserted from the handling, use, or consumption of the Product, as to any alleged violation of Proposition 65 or its implementing regulations

arising from the failure to provide Proposition 65 warnings on the Product with respect to the alleged or actual failure to warn about exposures to Acrylamide in the Product manufactured, distributed, sold or offered for sale in California by Aramco before the Effective Date, as alleged in the Notice.

4.2 Aramco's Release of CalSafe

Aramco on behalf of its past and current agents, representatives, attorneys, successors and assignees hereby waives any and all claims against CalSafe and its attorneys and other representatives, for any and all actions taken, or statements made by CalSafe and its attorneys and other representatives, whether in the course of investigating claims, otherwise seeking to enforce Proposition 65 against it in this matter, or with respect to the Product.

4.3 California Civil Code Section 1542

It is possible that other claims not known to the Parties, arising out of the facts alleged in the Notices and Complaint, and relating to the Product, will develop or be discovered. CalSafe on behalf of itself only, and Aramco on behalf of itself only, acknowledge that this Settlement Agreement is expressly intended to cover and include all such claims up through and including the Effective Date, including all rights of action therefore. CalSafe and Aramco acknowledge that the claims released in Sections 4.1 and 4.2 above may include unknown claims, and nevertheless waive California Civil Code section 1542 as to any such unknown claims. California Civil Code section 1542 reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

5. SEVERABILITY

In the event that any of the provisions of this Settlement Agreement are held by a court to be unenforceable, the validity of the remaining enforceable provisions shall not be adversely affected.

6. GOVERNING LAW

The terms of this Settlement Agreement shall be governed by the laws of the State of California and apply within the State of California.

7. NOTICE

When any Party is entitled to receive any notice under this Settlement Agreement, the notice shall be sent by first class mail or electronic mail and address set forth in this Paragraph. Any Party may modify the person and address to whom the notice is to be sent by sending the other Party notice by certified mail, return receipt requested. Said change shall take effect on the date the return receipt is signed by the Party receiving the change.

Notices shall be sent to:

For CRC

Joseph R. Manning, Jr.
Manning Law, APC
20062 SW Birch St. Suite 200

Newport Beach, CA 92660

For Aramco:

Alec Kazandjian
Aramco Imports, Inc.
6431 Bandini Blvd.
Commerce, CA 90040

8. COUNTERPARTS: FACSIMILE SIGNATURES

This Settlement Agreement may be executed in counterparts and by facsimile or portable document format (PDF) signature, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

9. COMPLIANCE WITH HEALTH AND SAFETY CODE §25249.7(f)

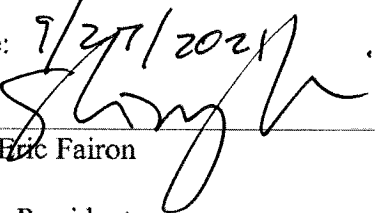
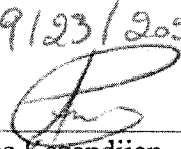
CalSafe and its attorneys agree to comply with the reporting form requirements referenced in California Health and Safety Code §25249.7(f).

10. MODIFICATION

The Settlement Agreement may be modified only by written agreement of the Parties.

11. AUTHORIZATION

The undersigned are authorized to execute this Settlement Agreement on behalf of their respective Parties and have read, understood, and agree to all of the terms and conditions of this Settlement Agreement.

<p>AGREED TO: CALSAFE RESEARCH CENTER, INC</p> <p>Date: 9/27/2021</p> <p>By:  Eric Fairon</p> <p>Title: President</p>	<p>AGREED TO: ARAMCO IMPORTS, INC.</p> <p>Date: 9/23/2021</p> <p>By:  Alec Kazandjian</p> <p>Title: Sales Manager</p>
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